

Message Text

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TO USMISSION GENEVA PRIORITY

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E. O. 11652: N/ A

TAGS: ETRD

SUBJECT: PRESS REACTION TO TRADE BILL

GENEVA FOR MALMGREN AND JACKSON

PARIS FOR HINTON AND RENNER

1. EVENING STAR OF APRIL 10 COVERED TRADE BILL ANNOUNCEMENT IN LARGELY FACTUAL FRONT PAGE STORY, ENTITLED " NIXON ASKS TRADE POWER."

2. BEGIN QUOTE. PRESIDENT NIXON ASKED CONGRESS TODAY FOR UNPRECEDENTED POWERS TO LOWER TRADE BARRIERS IF OTHER COUNTRIES GIVE AMERICAN EXPORTS A FAIR BREAK, AND TO CURB IMPORTS IF THEY COMPETE UNFAIRLY OR FLOOD THE UNITED STATES WITH THEIR GOODS.

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3. IN A LONG MESSAGE SUBMITTING THE TRADE REFORM ACT OF 1973, THE PRESIDENT ALSO MOVED TO FINESSE CONGRESSIONAL OPPONENTS OF TRADE CONCESSIONS TO THE SOVIET UNION. THEY HAVE VOTED TO BLOCK NIXON'S TRADE AGREEMENT WITH THE RUSSIANS UNLESS THEY DROP RESTRICTIONS ON EMIGRATION OF JEWS.

4. INSTEAD OF REQUIRING AFFIRMATIVE LEGISLATION TO GRANT THE TRADE CONCESSIONS TO RUSSIAN, NIXON PROPOSED, CONGRESS SHOULD LET HIM MOVE ON HIS OWN UNLESS THE HOUSE OR SENATE SPECIFICALLY VETOES THE AGREEMENT.

5. IN ADDITION TO HIS TRADE RECOMMENDATIONS, NIXON PROPOSED LIMITED RESTRICTIONS ON TAX BENEFITS NOW ALLOWED U. S. CORPORATIONS OPERATING ABROAD. BUT HE PLEADED WITH CONGRESS NOT TO CRACK DOWN HARD ON AMERICAN INVESTMENT ABROAD, AS ORGANIZED LABOR DEMANDS.

7. THE LEGISLATION SEEMS TO BE COMPROMISE AIMED AT STRIKING A BALANCE BETWEEN FREE TRADE AND PROTECTIONISM.

8. THE AFL- CIO, WITH BROAD CONGRESSIONAL SUPPORT, HAS BEEN LOBBYING FOR THE BURKE- HARTKE BILL, WHICH WOULD REDUCE IMPORTS THROUGH A BROAD SYSTEM OF PERMANENT QUOTAS, AND ALSO WOULD CURB FOREIGN INVESTMENT BY AMERICAN COMPANIES AND RESTRICT THE EXPORT OF U. S. TECHNOLOGY.

9. WHILE REJECTING THIS APPROACH, NIXON OFFERED CONCESSIONS TO THE PROTECTIONISTS BY REQUESTING AUTHORITY FOR A SYSTEM OF TEMPORARY " SAFEGUARDS" AGAINST IMPORT COMPETITION. HE PROPOSES TO TEMPORARILY RAISE TARIFFS OR IMPOSE QUOTAS OR OUTRIGHT BAN SOME IMPORTS TO GIVE AMERICAN WORKERS AND INDUSTRIES TIME TO ADJUST TO COMPETITIVE IMPORTS.

10. NIXON ALSO SAID HE WILL PROPOSE SEPARATE LEGISLATION TO IMPROVE UNEMPLOYMENT BENEFITS AND PROTECT THE PENSIONS OF WORKERS WHO LOSE THEIR JOBS BECAUSE OF IMPORTS OR ANY OTHER FACTORS.

11. IN THE MESSAGE AND IN A BRIEF TELEVISED STATEMENT, NIXON SAID THE TRADE LEGISLATION " CAN MEAN MORE AND BETTER JOBS FOR AMERICAN WORKERS (ANS) CAN HELP AMERICAN CON-
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SUMERS GET MORE FOR THEIR MONEY." THE LEGISLATION TO PROVIDE AUTHORITY FOR TRADE NEGOTIATIONS IS NEEDED URGENTLY, HE SAID, BECAUSE " OUR PROGRESS TOWARD WORLD

PEACE AND STABILITY CAN BE SIGNIFICANTLY UNDERMINED BY ECONOMIC CONFLICTS WHICH BREED POLITICAL TENSIONS AND WEAKEN SECURITY TIES." CHANGING ECONOMIC PATTERNS SINCE WORLD WAR II HAVE PRODUCED " A GROWING SENSE OF STRAIN AND STRESS IN THE INTERNATIONAL ECONOMY AND EVEN A RESURGENCE OF ECONOMIC ISOLATIONISM," HE SAID, WARNING AGAINST " THE IMPULSE TO TURN INWARD-" UGRING PROMPT CONGESSIONAL ACTION, NIXON SAID: " THE MOMENTUM (FOR LIBERAL TRADE NEGOTIATIONS) IS THERE. NOW WE... MUST SEIZE THE MOMENT IF THAT MOMENTUM IS TO BE SUSTAINED."

12. REP. WILBUR D. MILLS, D- ARK., CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE, HAS INDICATED THAT HE WILL SET ASIDE TAX REFORM TO TAKE UP TRADE LEGISLATION NEXT MONTH.

13. ALTHOUGH THERE IS LITTLE CHANCE THAT CONGRESS WILL COMPLETE ACTION ON TRADE BEFORE THE SCHEDULED START OF INTERNATIONAL NEGOTIATIONS IN SEPTEMBER, THE ADMINISTRATION HOPES THE LEGISLATION WILL BE FAR ENOUGH ADVANCED BY THEN TO PERMIT SERIOUS BARGAINING.

14. MILLS HAS IMPLIED THAT HE WILL LINE UP WITH THE ADMINISTRATION AND AGAINST THE BURKE- HARTKE FORCES IN THE TRADE BATTLE. END QUOTE.

15. STORY ALSO INCLUDES SUMMARY OF PROVISIONS OF BILL, INCLUDING TARIFF AND NTB AUTHORITY. HOWEVER, THESE BURIED AT END OF STORY ON INNER PAGE. ALSO REPORTS PRESIDENT AS ACKNOWLEDGING THAT " HE UAS REQUESTING VERY BROAD DISCRETION BUT SAID THIS IS NECESSARY TO PROVIDE FLEXIBILITY AND LEVERAGE IN NEGO
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